

FISCAL NOTE

HB 2303 - SB 2285

March 7, 2005

SUMMARY OF BILL: Makes various changes to the Tennessee Employment Security Law to be in compliance with the Federal SUTA 1 Dumping Prevention Act.

ESTIMATED FISCAL IMPACT:

Increase State Revenues:

Exceeds \$1,400,000/Unemployment Compensation Trust Fund

Exceeds \$340,300/Unemployment Compensation Special Administrative Fund

Other Fiscal Impact – Increase Federal/Other Expenditures:

\$184,000 One-Time

\$242,000 Recurring

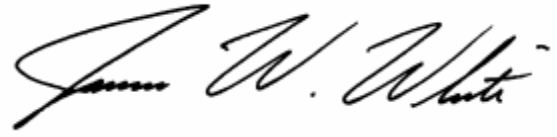
In addition, the Department of Labor and Workforce Development indicates that passage of this bill will prevent an amount of \$28,900,000 from being lost in federal administrative funding for Tennessee's Unemployment Insurance Program.

Assumptions:

- Tennessee receives administrative funding for unemployment insurance program and it is 100% federally funded.
- Tennessee employers will get a 5.4% offset credit against their 6.2% Federal Unemployment Tax (FUTA) if the employer has paid all state unemployment taxes by the due date and the Tennessee Employment Security Law conforms to federal law.
- Department of Labor and Workforce Development will need three new Auditor 3 positions in addition to equipment, travel and supplies.
- One-time expenses are for training and computers for the three auditors and also redesign of the ADP computer system.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director